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Exhibit R-2/R-2a, RDT & E Budget Item Justification								February 2002	
Appropriation/Budget Activity ENGINEERING AND MANUFACTURING DEVELOPMENT DEFENSE WIDE, BUDGET ACTIVITY 5					Item Nomenclature Financial Management Improvement System PE 0605016D8Z				
Cost (\$ in Millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Cost to Complete	Total Cost
Total PE Cost	0	98.521	96.250	113.758	189.535	177.189	157.885	Continuing	Continuing
<b>A. <u>Mission Description and Budget Item Justification</u></b>									
<b><u>BRIEF DESCRIPTION OF ELEMENT</u></b>									
<p>This program element is to provide funding for the sustainment of the Department of Defense (DoD) wide financial management enterprise architecture and the design, development and proof of concept of the “To Be” Defense architecture. The architecture will serve as a “blueprint” to guide and constrain investments in financial management operations and systems. The new architecture is a high priority for the Secretary of Defense and is required for the Department to have timely, accurate and reliable financial data for use in making effective management decisions and achieving favorable audit opinions on financial statements.</p>									
<b><u>Program Accomplishments and Plans/New Starts:</u></b>									

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<u>FY 2003 Plans:</u> <ol style="list-style-type: none"> <li>1. (16,182) Maintain and provide updates to the financial management enterprise architecture and transition plan. Analysis support will be provided for potential changes to the architecture. All updates will be configuration managed to ensure an audit trail is maintained.</li> <li>2. (59,618) Execution of a proof of concept for the Defense-wide enterprise architecture. At a minimum, six different business line activities (e.g., personnel, payroll, acquisition, supply, property, and medical) will be used in the proof of concept testing. The business line will conduct a Business Process Reengineer (BPR), implement the developed Defense standards, and deploy for prototype testing the system design recommended by the adopted Defense-wide enterprise architecture.</li> <li>3. (21,500) Execution of the first phase of the enterprise architecture transition plan will be executed. To move the Department from its current "As Is" environment to the desired "To Be" environment will require a phased approach, which will be developed as a requirement of the enterprise architecture. Execution of the transition plan will allow the Department to make progress while moving toward its desired state. Effort such as implementation of Defense standards, Departmental performance metrics and system consolidations are anticipated to be presented as phases of the transition plan.</li> </ol>			
<b><u>B. Program Change Summary</u></b>	<u>FY2001</u>	<u>FY2002</u>	<u>FY 2003</u>
Previous President's Budget	0	100.000	94.008
Appropriated Value	0	100.000	96.508
Congressional Directed Transfer	0	0	0
Adjustment to Appropriated Value/Transferred Amount	0	0	0
a. Congressionally Directed Undistributed Reductions	0	-1.479	0
b. Inflationary Adjustments	0	0	-.258
FY 2003 Budget Estimates Submit	0	98.521	96.250

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<p>Current Budget Submit/President's Budget</p> <p>Funding: Continuation of new program established in FY 2002</p> <p>Schedule: Maintenance of the Department-wide Enterprise Architecture, conduct proof of concept and begin execution of the Enterprise Architecture transition plan.</p> <p>Technical: Not Applicable</p> <p><b>C. <u>Other Program Funding Summary:</u></b> N/A</p> <p><b>D. <u>D. Acquisition Strategy:</u></b> The strategy will be to contract with the private sector for required effort, to include public accounting firms.</p>	

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<b>Exhibit R-3, RDT &amp; E, DW Project Cost Analysis</b>										Date: February 2002		
APPROPRIATION: RDT&E, BUDGET ACTIVITY: 5						PROGRAM ELEMENT: 0605016D8Z				FINANCIAL MANAGEMENT IMPROVEMENT SYSTEM		
Cost Categories	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 01 Cost	FY 01 Award Date	FY 02 Cost	FY 02 Award Date	FY 03 Cost	FY 03 Award Date	Cost to Complete	Total Cost	Target Value of Contract
Maintain Architecture	TBD	TBD*		0	N/A	0	N/A	15.89	TBD			
Proof of Concept Testing	TBD	TBD*		0	N/A	0	N/A	58.86	TBD			
Execute Transition Plan	TBD	TBD*		0	N/A	0	N/A	21.5	TBD			

\* Office of the Under Secretary of Defense (Comptroller) will be the overseeing agency, however, most of the effort will be accomplished by contract.

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